

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04

NSAE-00 SIL-01 DODE-00 VA-01 /039 W

-----079586 020622Z /11

R 012042Z MAR 78

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 9689

INFO AMEMBASSY LIMA

AMEMBASSY SANTIAGO

LIMITED OFFICIAL USE LA PAZ 1771

FOR DEPARTMENT OF LABOR: ILAB-DAN LAZORCHICK

EO 11652: NA

TAGS: ELAB, BL

SUBJ: GOB AGREES TO PENSION INCREASE FOR CHACO WAR VETERANS

REF: LA PAZ 1581

1. SUMMARY: THE BOLIVIAN GOVERNMENT GRANTED A 38.5 PERCENT INCREASE IN PENSION BENEFITS FOR CHACO WAR VETERANS ON FEBRUARY 28. THIS FIRST INCREASE GRANTED BY THE GOB IN 1978 UNDERSCORES ITS WILLINGNESS TO GRANT QUOTE REASONABLE UNQUOTE WAGE INCREASES TO OTHER SECTORS. INCREASES FOR SCHOOL-TEACHERS AND PUBLIC HEALTH WORKERS AND PERHAPS OTHERS ARE EXPECTED IN THE NEXT FEW MONTHS. END SUMMARY.

2. LOCAL PRESS CARRIED STORIES MARCH 1 THAT GOB HAD AGREED TO INCREASE PENSIONS FOR CHACO WAR VETERANS FROM \$B650 (US\$32.50) TO \$B900 (US\$45) PER MONTH. VETERANS HAD LAST RECEIVED PENSION INCREASE IN 1976. AGREEMENT FOLLOWED PEACEFUL DEMONSTRATIONS BY VETERANS WHO HAD BEEN SEEKING INCREASE IN PENSIONS TO \$B1,500 (US\$75).

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3. LEADER OF VETERANS, RETIRED GENERAL FERNANDO CAMPERO, TOLD PRESS THAT VETERANS HAVE ACCEPTED A QUOTE PARTIAL INCREASE UNQUOTE BECAUSE A LARGER INCREASE COULD HAVE CREATED SERIOUS REPERCUSSIONS FOR THE BOLIVIAN ECONOMY, THE POSITION THAT MINISTER OF FINANCE DAVID BLANCO HAS BEEN DRIVING HOME IN PRESS STATEMENTS FOR THE PAST FEW WEEKS.

4. COMMENT: THIS IS THE FIRST INCREASE IN WAGES OR BENEFITS GRANTED BY THE GOB IN 1978 AND IS AN INDICATION (REFTEL) THAT THE GOB, IN THIS ELECTION YEAR, IS PREPARED TO GRANT QUOTE REASONABLE UNQUOTE WAGE INCREASES. THE NEXT TEST OF THE GOB'S ABILITY TO LIMIT THE SIZE OF WAGE INCREASES DURING THIS ELECTION CAMPAIGN, AND THEREBY HELP CONTAIN INFLATIONARY EFFECTS, WILL BE MORE DIFFICULT AS IT WILL PROBABLY INVOLVE THE TEACHERS' FEDERATIONS, WHO ARE IN A MILITANT MOOD AND DEMANDING WAGE INCREASES FAR LARGER THAN THAT GRANTED TO THE VETERANS.

5. THE PROBLEM OF WAGE INCREASES CONTINUES TO DELAY APPROVAL OF THE GOVERNMENT BUDGET, WHICH IS SCHEDULED TO BE DISCUSSED AGAIN AT THE MARCH 3 CABINET MEETING.
BEAL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PENSIONS, FRINGE BENEFITS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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